

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:)	
)	
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO)	PROMESA Title III
)	
as representative of)	Case No. 17-bk-03283 (LTS)
)	
THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i>)	
)	
Debtor.)	
	X	
In re:)	
)	
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO)	PROMESA Title III
)	
as representative of)	
)	Case No. 17-cv-01685 (LTS)
THE EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO,)	Case No. 17-bk-03566 (LTS)
)	
Debtor.)	
	X	

STIPULATION

The parties hereby stipulate as follows:

1. On July 3, 2018, Movants¹ filed the *Motion of Certain Secured Creditors of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico for Relief*

¹ Movants include Altair Global Credit Opportunities Fund (A), LLC; Andalusian Global Designated Activity Company; Glendon Opportunities Fund, L.P.; Mason Capital Master Fund LP; Nokota Capital Master Fund, L.P.; Oaktree-Forrest Multi-Strategy, LLC (Series B); Oaktree Opportunities Fund IX, L.P.; Oaktree Opportunities Fund IX (Parallel 2), L.P.; Oaktree Value Opportunities Fund, L.P.; Ocher Rose, L.L.C.; Puerto Rico AAA Portfolio Bond Fund, Inc.; Puerto Rico AAA Portfolio Bond Fund II, Inc.; Puerto Rico AAA Portfolio Target Maturity Fund, Inc.;

from the Automatic Stay [Docket Entry No. 3418 in Case No. 17 BK 3283-LTS; Docket Entry No. 289 in Case No. 17 BK 3566-LTS] (the “Adequate Protection Motion”).

2. On July 10, 2018, (i) the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) filed the *Debtor’s Opposition to Motion of Certain Secured Claimholders of Employees Retirement System of Government of Commonwealth of Puerto Rico for Relief from Automatic Stay* [Docket No. 3465 in Case No. 17-bk-03283 and Docket No. 292 in Case No. 17-bk-03566]; (ii) the Official Committee of Retired Employees of the Commonwealth of Puerto Rico (the “Retiree Committee”) filed the *Objection of the Official Committee of Retired Employees of the Commonwealth of Puerto Rico to the ERS Bondholders’ Motion for Relief from the Automatic Stay* [Docket No. 3468 in Case No. 17-bk-03283 and Docket No. 293 in Case No. 17-bk-03566]; (iii) the American Federation of State, County and Municipal Employees (“AFSCME”) filed the *Joinder of the American Federation of State, County and Municipal Employees to (1) the Objection of the Official Committee of Retired Employees of the Commonwealth of Puerto Rico to the ERS Bondholders’ Motion for Relief from the Automatic Stay and (2) Debtor’s Opposition to Motion of Certain Secured Claimholders of Employees Retirement System of Government of Commonwealth of Puerto Rico for Relief from Automatic Stay* [Docket No. 3467 in Case No. 17-bk-03283 and Docket No. 294 in Case No. 17-bk-03566]; and (iv) the Official Committee of Unsecured Creditors of all Title III Debtors filed the *Joinder of the Official*

Puerto Rico Fixed Income Fund, Inc.; Puerto Rico Fixed Income Fund II, Inc.; Puerto Rico Fixed Income Fund III, Inc.; Puerto Rico Fixed Income Fund IV, Inc.; Puerto Rico Fixed Income Fund V, Inc.; Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc.; Puerto Rico Investors Bond Fund I; Puerto Rico Investors Tax-Free Fund, Inc.; Puerto Rico Investors Tax-Free Fund II, Inc.; Puerto Rico Investors Tax-Free Fund III, Inc.; Puerto Rico Investors Tax-Free Fund IV, Inc.; Puerto Rico Investors Tax-Free Fund V, Inc.; Puerto Rico Investors Tax-Free Fund VI, Inc.; Puerto Rico Mortgage-Backed & U.S. Government Securities Fund, Inc.; SV Credit, L.P.; Tax-Free Puerto Rico Fund, Inc.; Tax-Free Puerto Rico Fund II, Inc.; Tax-Free Puerto Rico Target Maturity Fund, Inc.; and UBS IRA Select Growth & Income Puerto Rico Fund.

Committee of Unsecured Creditors to Debtor's and Retiree Committee's Objections to Motion of Certain Secured Creditors of Employees Retirement System of Government of Commonwealth of Puerto Rico for Relief from Automatic Stay [Docket No. 3470 in Case No. 17-bk-03283 and Docket No. 296 in Case No. 17-bk-03566].

3. On July 17, 2018, Movants filed the *Reply of Certain Secured Creditors of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico in Support of Motion for Relief from the Automatic Stay* [Docket No. 3592 in Case No. 17-bk-03283 and Docket No. 303 in Case No. 17-bk-03566].

4. On August 6, 2018, the Court entered the *Order Scheduling Certain Deadlines with Respect to the Motion of Certain Secured Creditors of the Employees Retirement System for Relief from the Automatic Stay* [Docket Entry No. 313 in Case No. 17 BK 3566-LTS; Docket Entry No. 3747 in Case No. 17 BK 3283-LTS] (the "August 6 Order"). The August 6 Order set the final hearing on Movants' Adequate Protection Motion for September 13, 2018 at 9:30 a.m. (AST) and requires Movants and the Oversight Board to file a joint statement by August 20, 2018 by 5:00 p.m. (AST) "(1) identifying material disputed issues of fact regarding the attribution of any diminution in value resulting from the automatic stay, (2) setting forth deadlines for discovery with respect thereto, and (3) setting forth a briefing schedule for supplemental submissions in advance of the hearing with respect to the Stay Relief Motion." *Id.* at 2.

5. On August 17, 2018, the Court issued the *Opinion and Order Granting and Denying in Part Cross Motions for Summary Judgment* (the "August 17 Order") determining that Movants' liens are unperfected [Docket. No. 215 in Adv. Proc. No. 17-00213].

6. The August 17 Order resolves the Adequate Protection Motion.

7. A final order should be entered denying the Adequate Protection Motion on the

ground that the August 17 Order resolves it.

8. A final order denying the Adequate Protection Motion would resolve the August 6 Order.

9. All parties' rights are reserved in full.

10. Movants reserve their right to appeal the final order and the August 17 Order on any grounds. The Oversight Board, on behalf of ERS, and the Retiree Committee, reserve their rights to oppose any such appeal on any grounds.

11. Each party shall bear its own costs and attorneys' fees.

The content of this document is acceptable to all signatories.

In San Juan, Puerto Rico, dated August 20, 2018.

By:

/s/ Alfredo Fernández-Martínez

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/s/ John K. Cunningham

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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i>)	[PROPOSED] ORDER
)	
Debtor.)	
)	
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Debtor.)	
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[PROPOSED] ORDER

On July 3, 2018, Movants¹ filed the *Motion of Certain Secured Creditors of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico for Relief from the*

¹ Movants include Altair Global Credit Opportunities Fund (A), LLC; Andalusian Global Designated Activity Company; Glendon Opportunities Fund, L.P.; Mason Capital Master Fund LP; Nokota Capital Master Fund, L.P.; Oaktree-Forrest Multi-Strategy, LLC (Series B); Oaktree Opportunities Fund IX, L.P.; Oaktree Opportunities Fund IX (Parallel 2), L.P.; Oaktree Value Opportunities Fund, L.P.; Ocher Rose, L.L.C.; Puerto Rico AAA Portfolio Bond Fund, Inc.; Puerto Rico AAA Portfolio Bond Fund II, Inc.; Puerto Rico AAA Portfolio Target Maturity Fund, Inc.; Puerto Rico Fixed Income Fund, Inc.; Puerto Rico Fixed Income Fund II, Inc.; Puerto Rico Fixed Income Fund III, Inc.; Puerto Rico Fixed Income Fund IV, Inc.; Puerto Rico Fixed Income Fund V,

Automatic Stay [Docket Entry No. 3418 in Case No. 17 BK 3283-LTS; Docket Entry No. 289 in Case No. 17 BK 3566-LTS] (the “Adequate Protection Motion”).

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Inc.; Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc.; Puerto Rico Investors Bond Fund I; Puerto Rico Investors Tax-Free Fund, Inc.; Puerto Rico Investors Tax-Free Fund II, Inc.; Puerto Rico Investors Tax-Free Fund III, Inc.; Puerto Rico Investors Tax-Free Fund IV, Inc.; Puerto Rico Investors Tax-Free Fund V, Inc.; Puerto Rico Investors Tax-Free Fund VI, Inc.; Puerto Rico Mortgage-Backed & U.S. Government Securities Fund, Inc.; SV Credit, L.P.; Tax-Free Puerto Rico Fund, Inc.; Tax-Free Puerto Rico Fund II, Inc.; Tax-Free Puerto Rico Target Maturity Fund, Inc.; and UBS IRA Select Growth & Income Puerto Rico Fund.

System of Government of Commonwealth of Puerto Rico for Relief from Automatic Stay [Docket No. 3470 in Case No. 17-bk-03283 and Docket No. 296 in Case No. 17-bk-03566].

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The August 17 Order resolves the Adequate Protection Motion.

It is hereby ORDERED that:

1. The Adequate Protection Motion is DENIED on the ground that the August 17 Order resolves it;
2. This Order is without prejudice to Movants’ right to appeal this Order and the August 17 Order on any grounds and without prejudice to the Oversight Board, on behalf of ERS, and the

Retiree Committee opposing any appeal on any grounds;

3. This resolves the August 6 Order;
4. All parties' rights are reserved in full; and
5. Each party shall bear its own costs and attorneys' fees.

SO ORDERED.

Dated: _____, 2018

LAURA TAYLOR SWAIN
United States District Judge